



Reka Industrial Plc: Volumes increased and profitability improved

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Reka Industrial Plc's half year financial report January-June 2025

April-June 2025

- The Rubber segment's turnover was EUR 8.4 (EUR 7.3) million
- The Rubber segment's EBITDA was EUR 1.1 (EUR 0.2) million
- The Group's turnover was EUR 8.4 (EUR 7.3) million
- The Group's EBITDA was EUR 0.9 (EUR -0.1) million
- The Group's result was EUR 0.7 (EUR -0.2) million

January-June 2025

- The Rubber segment's turnover was EUR 16.3 (EUR 14.7) million
- The Rubber segment's EBITDA was EUR 2.0 (EUR 0.4) million
- The Group's turnover was EUR 16.3 (EUR 14.7) million
- The Group's EBITDA was EUR 1.4 (EUR -0.1) million
- The Group's result for the period was EUR 0.9 (EUR -0.2) million
- The Group's financial assets are invested in low-risk instruments
- M&A arrangements were actively reviewed

The half year financial report is unaudited. Figures in brackets refer to the same period a year earlier, unless otherwise stated.

President and CEO Sari Tulander:

Reka Industrial's industrial business consists of Reka Rubber Ltd, the Rubber segment. Reka Rubber is one of the leading manufacturers of industrial rubber products in Northern Europe.

At the beginning of the year, some customers reported an increase in volumes, but the US announcement of tariffs has slightly changed the customers' needs. So far, the changes have only affected some individual products. For some customers, volumes are still at the same level as last year or lower than last year. Overall, volumes are expected to be higher than last year also in the second half of the year. However, the tariffs and their impact on our customers are not yet fully clear.

In the beginning of the year, Reka Rubber's volumes increased compared to the same period last year. In the second quarter, turnover was EUR 8.4 (7.3) million and EBITDA EUR 1.1 (0.2) million. The turnover for the first half of the year 2025 was EUR 16.3 (14.7) million and EBITDA EUR 2.0 (0.4) million. We invest in sales. We are also focusing on improving productivity and cost efficiency as well as strengthening the conditions for future growth by developing our product offering and production technology. The aim is to reflect the cost increases in sales prices as quickly as possible.

Reka Industrial's strategy is to increase shareholder value through M&A arrangements. Reka Industrial has strong industrial manufacturing and international expertise and an entrepreneurial approach. Financial assets are mainly invested in low-risk instruments. At the end of June 2025, the group's cash and cash equivalents and other financial assets amounted to EUR 25.9 million.

Major events during the financial period

The Board of Directors of Reka Industrial Plc prepared a set of criteria for the next stages of the strategy work in spring 2024. The Board of Directors evaluated several companies. However, there was a limited number of potential companies that met the criteria, and in the end, no transaction was completed. On January 8, 2025 the company published a notice to the Extraordinary General Meeting, which was held on January 30, 2025. The Extraordinary General Meeting confirmed the

number of members in the new board as four and elected Markku Rentto as chairperson, Riitta Mynttinen as deputy chairperson and Matti Copeland and Riku Kytömäki as members of the Board.

Reka Rubber Ltd, a subsidiary of Reka Industrial, launched in February 2025 an energy project to improve the energy efficiency of the Aura factory and convert the energy used in steam-powered production processes into CO2-free energy. The energy used in other production processes at the Aura factory has already been CO2-free in the past.

The power-to-heat thermal storage solution will enable Reka Rubber to eliminate oil from its production processes at the Aura factory, and the thermal storage will also serve as the factory's primary source of heating energy. After commissioning, it will be determined whether other forms of energy are needed in addition to the thermal storage (5 MWh storage capacity) selected for heating the buildings.

The total investment in the energy project is approximately EUR 1.35 million and Business Finland has granted the project a 20 per cent energy subsidy. In addition to the thermal storage, the investment includes, among other things, the construction of foundations for the thermal storage, the renewal of the steam pipeline, the update of the control system, and the introduction of the necessary connections to the power-to-heat thermal storage building. The preparations will start this year, and the new thermal storage will be commissioned early next year.

Key figures

	1-6/2025	1-6/2024	1-12/2024
Turnover, EUR million	16.3	14.7	27.2
EBITDA, EUR million	1.4	-0.1	0.4
Operating profit, %	4.7	-5.1	-3.2
Result for the period, EUR million	0.9	-0.2	0.4
Earnings per share	0.16	-0.04	0.07
Net cash provided by operating activities, EUR million	1.1	-0.4	0.9
IAS 19 corrected ROI, %	5.8	0.8	2.6
IAS 19 corrected Equity ratio, %	70.7	72.9	73.4

Reka Industrial presents alternative key figures so that the effects of IAS 19 recognition of defined benefit pension liabilities are eliminated from the result and balance sheet items of the key figures.

The entries of the IAS 19 defined benefit plan in the income statement are presented below the operating result as a separate item. In this way, the development of Reka Industrial's operational business can be better monitored.

Turnover and operating result

The Group's turnover was EUR 16.3 million (EUR 14.7 million). EBITDA was EUR 1.4 million (EUR -0.1 million) and operating result was EUR 0.8 million (EUR -0.7 million). The result for the review period was EUR 0.9 million (EUR -0.2 million).

Balance sheet and financing

The balance sheet total at the end of the review period was EUR 63.1 million. On 31 December 2024 the balance sheet totalled at EUR 59.3 million.

At the end of the review period, the Group's cash and cash equivalents totalled at EUR 25.9 million (EUR 26.4 million on 31 December 2024). Other cash equivalents are invested mainly in low-risk instruments and short-term deposits.

At the end of the review period, the Group's interest-bearing liabilities were EUR 7.1 million (EUR 6.3 million on 31 December 2024), of which other than finance lease liabilities were EUR 2.1 million (EUR 1.0 million on 31 December 2024).

Sustainability

Reka Industrial boosts sustainability in the development of its business and everyday work. The aims of the sustainability work are formed according to the UN Global Compact initiative and Reka Industrial has chosen five initiatives of 17 that are most important to its business.

Reka Industrial's goal is to take into account the needs and wishes of all its stakeholders and actively promote the sustainable development according to these needs. The company takes care of its personnel's working conditions and

develops the competence of its personnel. The company is a long-term responsible business partner to its customers and representatives of its delivery chain. Reka Industrial follows highly ethical rules, which it requires also from its business partners.

Reka Rubber promotes its shared goals with Reka Industrial and is part of the chemical industry's Responsible Care programme which key themes are sustainable use of natural resources and sustainability of production and products. Reka Rubber assesses its level of sustainability through the EcoVadis system which is an independent and international sustainability assessment system. EcoVadis reviews company's labour practices, ethics, environmental responsibility and sustainable supply chain. The sustainability work is also supported by an ISO 14001 certified environmental management system and ISO 9001 certified quality management system. Reka Rubber has the required environmental permits.

For Reka Rubber, climate actions means reducing emissions and improving energy efficiency in the company's own operations. At the same time, the aim is to influence factors affecting air quality. Reka Rubber has calculated the carbon footprint of its own operations, which it strives to reduce by consuming emission-free electricity and improving energy efficiency of its own operations. Both Reka Rubber's factories use CO₂ -free electricity. In February 2025, Reka Rubber launched an energy project to improve the energy efficiency of the Aura factory and convert the energy used in steam-powered production processes to CO₂ -free. The energy used in other production processes at the Aura factory has already been CO₂ -free. Solar panels have been installed at the factory in Aura and at both factories, the lightning is gradually replaced by LED lights.

The essential factor is also the rubber raw material, its efficient use and production waste. The Rubber segment strives to reduce the amount of rubber waste in proportion to production tonnes through material selection, process development and technical supports and enhancing the utilization of waste.

Segments

Reka Industrial's industrial business consists of Reka Rubber Ltd's business and there is one segment, the Rubber segment.

Rubber segment

In the first half year of 2025, the Rubber segment's turnover was EUR 16.3 million (EUR 14.7 million). EBITDA was EUR 2.0 million (EUR 0.4 million). For some customers, volumes have been clearly higher than last year. The effects of tariffs are being analyzed based on updated information and changes in market demand.

Risks and uncertainty factors

The financial situation in the euro area and political uncertainties may have an effect on the purchase amounts and the launch of new projects of the customers in the Rubber segment. The increase in the price and availability of energy may directly and indirectly affect the market.

Financial risks and the related protection measures are described in more detail in the notes to the Financial Statements 2024. The company's future risk factors are related to the investment activities and the development of its industrial business segments.

The Reka Industrial Group belongs to the Reka Pension Fund for the companies located in Finland. According to current legislation, the pension fund must have at least 150 employed members. Reka Cables Ltd, previously part of the group, was transferred out of the Reka Pension Fund at the end of March 2025. After the transfer of Reka Cables Ltd out of Reka Pension Fund, Reka Pension Fund was left with less than 150 employed members.

If the number of working members of the Reka Pension Fund does not increase above 150 over the next 2 years, with a possible additional one year if authorized, the pension fund may be dissolved in 2028. If the Reka Pension Fund is dissolved, the IAS 19 accounting for the pension fund (IAS 19 pension receivable EUR 6.5 million on June 30, 2025) will cease and the guaranteed capital investments (EUR 8.0 million) in the Reka Rubber sub-group may suffer an investment loss to the extent that the investment is not recovered. The Board of Directors of the Group and the parent company and Reka Pension Fund believe that the number of members will increase and the required limit of 150 employees will be met.

Major events after the review period

To support the growth of molded products, the company has decided to order a new medium-sized injection molding machine. The delivery is estimated to take place in early 2026. The machine is similar to the injection molding machine ordered earlier this year.

Near-term outlook

The Rubber segment continues to improve productivity and profitability, while creating more conditions for future growth. Investments will be continued for long-term growth, which is supported by our investments in production technology that has lower emissions and consumes fewer natural resources.

The EBITDA in 2025 is expected to be better than in the previous year.

The company's financial assets are mainly invested in low-risk instruments and short-term deposits.

Disclosure policy of half year financial report

Reka Industrial discloses relevant information related to its Half Year Financial Report with this Stock Exchange Release. The entire Half Year Report for January-June 2025 is attached to this release and is also available on company's website at www.rekaindustrial.fi/en

In Hyvinkää 7 August 2025

Reka Industrial Plc
Board of Directors

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Disclosure regulation

All comments in this report that do not refer to actual facts are future estimates. Such estimates include expectations concerning market trends, growth and profitability as well as statements including the words "believe", "assume" or "will be" or a similar expression. Since these estimates are based on current plans and estimates, they involve risks and uncertainty factors that may cause the actual results to differ substantially from current statements.

Among other things, such factors include 1) operating conditions, such as continued success in production and the ensuing efficiency benefits, availability and cost of production inputs, demand for new products and changes in circumstances affecting the acquisition of capital under acceptable conditions; 2) sector-specific circumstances, such as the intensity of demand for products, the competition, current and future market prices for the Group's products and related pricing pressures, the financial situation of the Group's customers and competitors and competitors' possible new products; and 3) the general economic situation, such as economic growth in the Group's main market areas and change in exchange rates and interest rates.

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About Reka Industrial Oyj

As an industrial family company, we are committed to developing the performance and sustainability of the companies we own. Reka Industrial class B shares are listed on the Nasdaq Helsinki Ltd.

Attachments

- [Download announcement as PDF.pdf](#)
- [Reka Industrial Plc half year report H1 2025.pdf](#)